

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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COUNTRY	Yugoslavia	REPORT	
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 (FOR KEY SEE REVERSE)

1. The movement of Yugoslav industry into Bosnia and Montenegro started before the break with the Cominform and is still continuing. The only difference is that whereas prior to the break the movement was based on political reasons, it is being carried on at present for strategic reasons. Almost the entire Yugoslav war industry is now in Bosnia.
2. The transfer of industries has taken place in a very haphazard manner. Lacking a clear timetable and schedule, there has been a good deal of movement back and forth, with serious losses in productive efficiency.
3. Transfers are so badly planned that industries moved to a new location very often find insufficient power supply, inadequate transportation, scarcity of raw materials, poor housing and lack of storage facilities. In addition, qualified labor is difficult to find.
4. In the past, it was possible to coerce experts and qualified labor into moving into new areas, but since the government's attitude has relaxed, there is an acute labor shortage, which is not confined to qualified personnel. Unqualified workers with low salaries customarily supplement their meager earnings with income from their local resources, and they are unwilling to give up this latter by moving to a remote area.
5. Among industries which have been moved are the following:
 - a. The machinery of the "Boba Miletic" armament plant in Cacak was sent to Bosnia three years ago.
 - b. A precision tool factory from Belgrade was moved to Brcko and then was in part moved back to a location near Belgrade.
 - c. Army materiel production in Kragujevac has been moved to Bosnia, while the "Crvena Zvezda" factory in Kragujevac now is devoted to the production of automobiles.

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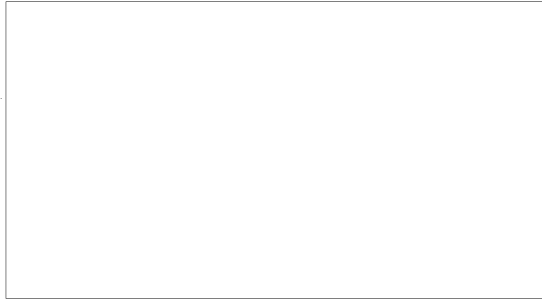
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d. The tank factory at Mladenovac has been moved to Bosnia.



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